



STATE OF NEW JERSEY

Board of Public Utilities

*Two Gateway Center
Newark, NJ 07102*

TELECOMMUNICATIONS

IN THE MATTER OF THE JOINT)
APPLICATION OF BELL ATLANTIC-NEW)
JERSEY, INC. AND XTEL COMMUNI-)
CATIONS, INC. FOR APPROVAL OF AN)
INTERCONNECTION AGREEMENT)
UNDER SECTION 252 OF THE TELE-)
COMMUNICATIONS ACT OF 1996)

ORDER APPROVING
INTERCONNECTION AGREEMENT

DOCKET NO. TO99120964

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated December 28, 1999, Bell Atlantic-New Jersey, Inc. (BA-NJ), a New Jersey corporation, and XTel Communications, Inc., (XTel), a Delaware corporation, (individually, a Party, and jointly, the Parties) pursuant to Section 252(e) of the Telecommunications Act of 1996, P.L. 104-104, 110 Stat. 56, (codified in scattered sections of 47 U.S.C. §151 et seq.) (the Act) submitted to the Board of Public Utilities (Board) a joint application (Application) for approval of a certain negotiated interconnection agreement dated as of September 1, 1999 (Agreement). XTel was granted authority by the Board to provide local exchange and interexchange service on August 8, 1999. See, Order of Approval, I/M/O Petition of XTel for the Authority to Provide Local Exchange Telecommunications Services, Docket No. TE99020058 . XTel is a local exchange carrier (LEC) as defined by the Act. See 47 U.S.C. §153(26). BA-NJ is an incumbent local exchange carrier as defined by the Act with the duty to negotiate interconnection agreements pursuant to Section 252 of the Act. See 47 U.S.C. §251(c) and §251(h)(1). The Agreement contains various rates, terms and conditions of interconnection of the networks of XTel and BA-NJ which are necessary for XTel to begin to offer local telecommunications services within New Jersey.

BA-NJ and Xtel assert that the Agreement satisfies the requirements for Board approval because it does not discriminate against any other telecommunications carrier, as required by Section 252(e)(2)(A)(i). The Parties aver that the interconnection arrangement contained in the Agreement is available to any other telecommunications carrier operating in New Jersey, and that other carriers are not bound by the Agreement, remaining free to negotiate independently with BA-NJ pursuant to Section 252 of the Act. Application at 3-4.

Moreover, the Parties state that the Agreement is consistent with the public interest, convenience, and necessity, as required by Section 252(e)(2)(A)(ii), because it is an important step towards allowing XTel to compete with BA-NJ as a facilities based carrier in New Jersey for both residential and business customers. Ibid.

The Agreement sets forth the terms, conditions and prices under which BA-NJ will offer and provide access to unbundled network elements, ancillary services, and wholesale telecommunications services available for resale to XTel within each local access and transport area (LATA) in which they both operate in New Jersey. The Parties assert that the Agreement is an integrated package that reflects a negotiated balance of many interests and concerns critical to both Parties. Ibid. Exhibit A to the Agreement sets forth a detailed schedule of itemized charges. Exhibit B to the Agreement sets forth a methodology by which XTel may present a network element bona fide request to BA-NJ, as well as the duties of both Parties should such a network element bona fide request be made.

The Agreement is in effect until December 31, 1999, and thereafter the Agreement shall continue in full force and effect unless terminated as provided within this Agreement. Upon the expiration of the initial term, the Parties will negotiate in good faith to maintain interconnection, collocation, and the exchange of traffic, including the use of mediation or arbitration under Section 252 of the Act. However, in the absence of agreement to renew or extend this Agreement, either Party may terminate by providing written notice to the other Party at least ninety days in advance of the termination. In the event of such termination, those service arrangements made available under this agreement and existing at the time of termination shall continue without interruption under (a) a new agreement executed by the Parties, (b) standard interconnection terms and conditions made generally effective by the Board, (c) tariff terms and conditions generally available to competitive LECs (CLECs), or (d) if none of the above is available, under the terms of this agreement on a month to month basis until such time as (a), (b), or (c) becomes available.

As stated in the Application, the Parties maintain that the Agreement does not discriminate against any other telecommunications carrier, and that, to the contrary, the arrangement contained in the Agreement is available to any other carrier authorized to operate in New Jersey. The Parties also assert that other carriers are not bound by the Agreement and remain free to negotiate independently with BA-NJ pursuant to Section 252 of the Act. In addition, the Parties assert that the Agreement is consistent with the public interest, convenience and necessity, as required by Section 252(e)(2)(a)(ii) because it is an important step towards allowing XTel to compete with BA-NJ as a facilities-based carrier in New Jersey, and that the Agreement will also be available to all telecommunications carriers under 47 U.S.C. §252(i).

By letter dated March 9, 2000, the Division of the Ratepayer Advocate (Advocate) stated that it is satisfied the Agreement does not discriminate against other carriers and is consistent with the public interest, convenience and necessity, and therefore recommended that the Board approve the Agreement. In addition, although the Advocate acknowledged that the terms of the Agreement on their face meet the requirements of the Act, it urged the Board to make a specific finding that approval of the agreement does not constitute a determination concerning BA-NJ's obligations pursuant to Section 271 of the Act and that any determination respecting BA-NJ's satisfaction of the requirements set forth in Section 271 must be made only following formal proceedings before the Board.

DISCUSSION

Pursuant to 47 U.S.C. §252(a)(1), an incumbent LEC may negotiate and enter into a binding interconnection agreement with a carrier requesting interconnection, service or network elements without regard to the standards set forth in 47 U.S.C. §251(b) and (c). In addition, 47 U.S.C. §252(e)(1) requires approval by the Board of any interconnection agreement adopted by negotiation or arbitration, and further requires the Board to approve or reject the Agreement, with

written findings as to any deficiencies. The Act provides that the Board may reject a negotiated agreement only if finds that:

- (i) the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement; or
- (ii) the implementation of such agreement or portion is not consistent with the public interest, convenience, and necessity.

[47 U.S.C. §252(e)(2)(A)].

The Board's review of the Agreement and the record in this matter indicates that the Agreement is consistent with the public interest, convenience and necessity, and that the Agreement does not discriminate against telecommunications carriers not parties to the Agreement. Therefore, the Board FINDS that the Agreement meets the standards set forth in the Act, and HEREBY APPROVES this Agreement as presented by the Parties. This approval should not be construed as preapproval of any future petitions for rate recovery of costs incurred pursuant to the Agreement. Our approval does not constitute a determination concerning BA-NJ's obligations pursuant to Section 271 of the Act, although this Agreement will be taken into consideration in that determination. In addition, our approval does not constitute a determination concerning, nor shall the Board be bound by, provisions within this Agreement regarding the confidentiality of information.

With regard to section 252(i) of the Act and 47 C.F.R. §51.809, we note that all local exchange carriers have a continuing obligation to comply with Federal law. AT&T Corp. v. Iowa Utils. Bd., 119 S.Ct. 721, 738, 142 L.Ed. 2d 835 (1999).

The Board notes that amendments or modifications to Board approved interconnection agreements are subject to Board review and approval. No agreement can be read, nor does the Board believe the Parties to this Agreement intend that it be read, to limit the authority of the Board under Section 252(e) of the Act to review interconnection agreements. Accordingly, until and unless otherwise is provided by the Board, subsequent amendments or modifications to the Agreement approved herein shall be subject to review and approval by the Board.

Pursuant to 47 U.S.C. §252(h) of the Act, a copy of the Agreement will be made available for public inspection and copying within ten days of the issuance of this Order.

DATED: 9/22/00

BOARD OF PUBLIC UTILITIES
BY:

(signed)
HERBERT H. TATE
PRESIDENT

(signed)
CARMEN J. ARMENTI
COMMISSIONER

(signed)
FREDERICK F. BUTLER
COMMISSIONER

ATTEST:

(signed)
FRANCES L. SMITH
BOARD SECRETARY